

REQUEST FOR QUALIFICATIONS

For
Design/Build Contract
For
Buckman Direct Diversion Project

Mandatory Pre-Submittal Conference: March 10, 2006

Submittal Deadline: April 5, 2006

City of Santa Fe and Santa Fe County
New Mexico

February 6, 2006

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1.0 Background

1.1 Introduction

The Buckman Direct Diversion Project (Project) is being implemented by the City of Santa Fe, Santa Fe County, and Las Campanas Limited Partnership to divert, convey and treat surface water from the Rio Grande. A number of important activities for the Project have been completed or are underway, including a Draft Environmental Impact Statement, cost sharing and project management agreements among the three proponents, acquisition of certain permits and easements, raw water quality sampling and pilot testing, financing plans, and project delivery and risk management strategies. Under a joint powers agreement executed by the City of Santa Fe and the Santa Fe County, a five-person board (BDD Board) enters into and oversees contracts to implement the Project.

It is the BDD Board's intent to enter into a design/build contract (DB Contract) for permitting, design, construction, and performance testing of the Project. This Step 1 Request For Qualifications (RFQ) initiates a pre-qualification process to select a short-list of up to three firms or teams of firms. Only the respondents to this RFQ included on such short-list will be eligible to participate in the next step of the procurement process. In Step 2, a Request For Proposals (RFP) will invite technical and price proposals for the Project. Section 5.3 outlines certain minimum financial, experience and other requirements (Minimum Qualification Requirements) for Step 1.

The capitalized words and terms used in this RFQ are defined in Attachment A and in the text.

1.2 Project Proponents

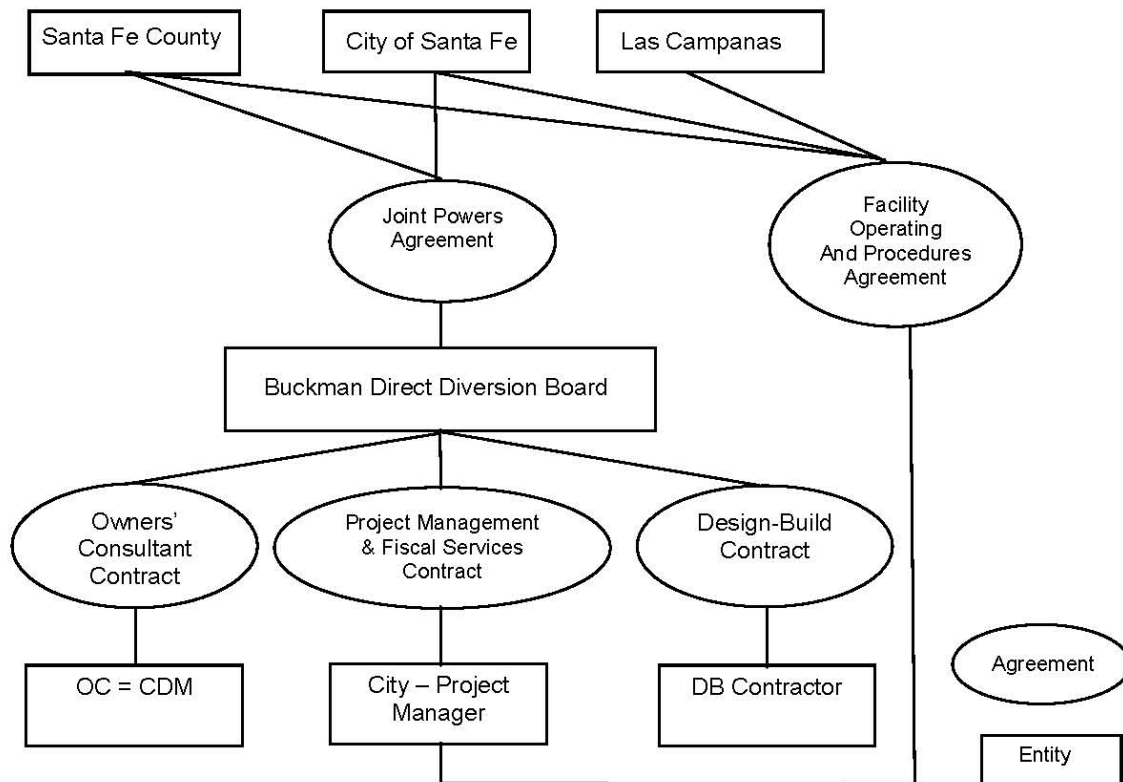
The Project's proponents include the BDD Board, acting on behalf of the owners of the Project (i.e., the City of Santa Fe and Santa Fe County), and a private company, Las Campanas Limited Partnership (Las Campanas LP). Each of these proponents is located in the high desert where periodic droughts can significantly curtail the availability of water supply and is in need of the Project to expand the availability of potable water supplies to meet future demand and to increase reliability. The Project will be owned fifty-percent by the City and fifty-percent by the County. Las Campanas LP is not expected to have an ownership interest, but will contribute capital and operating funds to pay costs allocated for certain portions of the Project whose use will be shared among the City, County and Las Campanas LP.

The City of Santa Fe is a Home Rule city. It encompasses 37.4 square miles with a population of some 65,000 that is supplemented by nearly 800,000 occupied hotel room nights annually. Approximately 80% of the City's \$203 million budgeted revenue for fiscal 2004-05 is generated by a combination of gross receipts tax and user fees. Outstanding debt includes \$89 million in general obligation bonds and \$170 million in revenue bonds. In 2004, the median household income was estimated at \$44,600 per year and the median price for a single-family house was \$340,000. Santa Fe County has a population of approximately 140,000 (including the City) and had a median household income in 2000 of some \$42,200 and a per capita income in 2002 of \$32,932. The County includes 1,909 square miles. Las Campanas LP is the developer of a high-end residential community located some 8 miles from downtown Santa Fe. The development encompasses 4,800 acres and includes 1,717 home sites, two 18-hole golf courses, equestrian center, and spa and tennis center.

1.3 BDD Board

The BDD Board has been established under the Joint Powers Agreement to enter into and oversee a number of contracts to implement the Project on behalf of the City and the County. The five-member board of directors includes two members of the City of Santa Fe Council (City Council) appointed by the Mayor and approved by City Council, two members of the Board of Santa Fe County Commissioners (County Commissioners) appointed by the County Commissioners, and one at-large citizen member appointed by a majority vote of the other four members of the BDD Board. Each member of the board has one vote.

BDD Board existing and intended contractual relationships are depicted below.



The City will provide services to the BDD Board to support implementation of the Project. Under the proposed Project Management and Fiscal Services Contract (PMFS Contract), the City will act as Project Manager for delivery of the Project and will be responsible for day-to-day management and related fiscal activities. Upon completion of initial performance testing under the DB Contract, the City will also operate and maintain the new facilities under the proposed PMFS Contract with the BDD Board. Camp Dresser & McKee Inc. (CDM), under the Owners' Consultant Contract, is providing a comprehensive range of engineering services for procurement of the DB Contractor, monitoring of the DB Contractor's performance of design and construction, and assistance to the BDD Board and Owners during initial operation and maintenance of the Project. The proposed Facility Operating and Procedures Agreement (FOPA) will include the City, County and Las Campanas LP and will address issues such as ownership of Project facilities, capacity rights, cost sharing, transfer of water rights, and sharing of water shortages.

The Procurement Library includes various BDD Board contractual and related documents as well as other Project-related reports and information.

1.4 Owners' Objectives

The Owners' objectives for delivery of the Project are as follows:

Quality – Provide high quality Project facilities and equipment that meet performance requirements in order that the Owners can reliably operate the Project to produce high quality drinking water.

Cost – Minimize the Owners' life-cycle cost of the Project.

Schedule – Establish and maintain the Project schedule in order to deliver the Project in the shortest practicable time.

Risk – Minimize the risks of untimely Project delivery, maximize the clarity and acceptance by all parties of the risk allocation to be set out in the DB Contract, and minimize the Owners' risks – subsequent to award of the DB Contract – of increased costs and of the completed Project not meeting performance requirements or not complying with the DB Contract.

The BDD Board intends to enter into the DB Contract to obtain a single point of responsibility for delivery of the Project. As indicated in the scope of services for the Owners' Consultant in the Procurement Library, a number of tasks and activities are assigned to the Owners' Consultant to support delivery of the Project. The allocation of tasks between the Owners' Consultant and the DB Contractor is designed to promote the above Owners' objectives for the Project.

1.5 Project Context

Regional Water Supply Demand

The BDD Project will be an important component of the region's sustainable drinking water supply system. When placed in operation, it will enable water resources to be used conjunctively (i.e., renewable surface water can be used as the primary source during wet periods, allowing the resting of groundwater production wells, and groundwater can be used as the primary source during dry periods). The Project will help provide drought protection as well as provide for efficient and more balanced use of regional water resources. Any delay in Project implementation beyond June 2009 will create significant risks to the capabilities of potable water systems operated by the City, County and Las Campanas to meet their respective peak and annual demands.

The Project's planned maximum annual diversion of 8,730 acre-feet per year (AFY) and maximum daily diversion of 18.2 million gallons per day (MGD) of water is allocated:

City of Santa Fe	5,230 AFY	11.3 MGD
Santa Fe County	1,700 AFY	3.7 MGD
Las Campanas LP	1,800 AFY	3.2 MGD

The Project will be required to divert, convey, and treat a range of daily and monthly water diversion volumes that will fluctuate throughout the year based upon water demands and the operation and availability of other sources of supply. The Project's maximum daily diversion of 18.2 MGD (28.2 CFS) is expected to occur in June, but it could occur at any time of the year.

Water Rights

The water diverted through the Project will be a combination of San Juan-Chama Project (SJCP) water and other surface water rights held or to be obtained by the City, County, and Las Campanas LP. At 5,605 AFY, SJCP water represents the single largest source of water rights for the Project. SJCP water is allocated 5,230 AFY to the City and 375 AFY to the County pursuant to the January 12, 2005, City-County Water Resources Agreement. The remaining water rights for the Project are expected to be native water rights secured by the County and by Las Campanas LP.

Estimated Project Costs and Funding

The capital cost of the Project is currently estimated at \$145 million (2005\$), including an estimated \$126 million for construction, but not including cost for debt financing (such as interest during construction, bond issuance, and credit enhancement). Based on preliminary scheduling of construction and other expenditures and assumptions of future rates of price inflation, the total capital cost estimate of \$145 million would be \$161 million in escalated dollars.

The estimated \$145 million (2005\$) capital cost would be shared approximately as follows:

City of Santa Fe	\$68.5 million
Santa Fe County	\$68.5 million
Las Campanas LP	\$ 8.0 million

The BDD Board in cooperation with the City and County may obtain federal and additional state grant funding support for the Project, which would reduce the above funding shares. The City and County each intend to issue bonds as the primary method of funding for the Project. The City's current long-term financial planning for water system capital improvements, including the City's share of Project costs, and related projections of annual revenue requirements indicate the need for possible increases in City water rates on the order of 4 % for each year during the 2007 to 2010 time frame and 2% during 2011 to 2013 (without inflation). Any increase in City water rates or changes to rate structure would require approval of the Santa Fe City Council. The County intends to utilize general obligation bonds as the primary source of funds for its share of Project costs.

The City and County are preparing detailed funding plans for the Project. These plans will be included in the Procurement Library. Fiscal recommendations made in the City and County funding plans would require action by the governing bodies of each respective entity prior to implementation.

[End of Section 1]

2.0 Project Description

2.1 Overview

The Buckman Direct Diversion Project (Project) will help address immediate and long-term needs for sustainable water supplies for the City of Santa Fe (City), Santa Fe County (County), and Las Campanas Limited Partnership (Las Campanas LP). The Project will divert river water from the east bank of the Rio Grande near the historic Buckman town site, convey and treat raw water, and transmit finished water to existing distribution pipelines of the City and County. Raw water will be conveyed via a portion of the Project to Las Campanas LP, which will separately construct water treatment facilities. Attachment C includes a map illustrating the proposed Project facilities.

Key components of the Project include:

- Diversion (intake) structure with a 28 to 32-cfs peak capacity, a low-head pump station, raw water pipelines, a sediment removal facility, return pipeline and/or drying lagoons, and a diversion support building
- Two 18.25 mgd capacity high-head booster pump stations
- A 15-mgd water treatment plant utilizing presedimentation, coagulation/flocculation/sedimentation, membrane filtration, ozonation, and granular activated carbon adsorption
- Two finished water booster stations at the water treatment plant site
- Some 40 miles of 12- to 36-inch raw and treated water pipelines
- Realignment and upgrade of approximately 9 miles of Buckman Road and a quarter mile of an existing utility corridor road
- Ancillary works include a new electrical substation, upgrades to an existing substation, and installation by PNM of electrical service facilities

Environmental Impact Statement

As required by the National Environmental Policy Act of 1969, the U.S. Department of Agriculture's Forest Service (Southwestern Region) and the U.S. Department of Interior's Bureau of Land Management (New Mexico State Office) have jointly prepared a Draft Environmental Impact Statement (DEIS) for the Project. The Procurement Library includes a copy of the DEIS. The current schedule indicates that the public review and appeal processes, including issuance of the Record of Decision (ROD), should be completed in June, 2006.

Permit Requirements

As indicated in the Permit and Easement Plan prepared by the Owners' Consultant and included in the Procurement Library, implementation of the Project will require an extensive body of federal, state, and local permits and approvals. With the objectives of reducing risk to the DB Contractor and shortening the schedule for design and construction under the DB Contract, the Owners' Consultant will initiate or obtain many of the major permits and approvals prior to the effective date of the DB Contract. Section 2.5 summarizes the permits and approvals to be obtained by the Owners' Consultant and the DB Contractor.

Raw Water Quality Conditions

A major technical challenge related to reliable operation of the Project has to do with the wide variation in the quality and quantity of raw water in the Rio Grande. The Owners' Consultant conducted an extensive pilot testing program during six months in 2005 focusing on treating different raw water quality conditions and alternative treatment processes to address the seasonal and daily variations in water quality encountered during this time frame. A report on the results of the Owners' Consultant's pilot testing program will be included in the Procurement Library.

2.2 Existing Water Supply Systems

City of Santa Fe

The City's three existing primary sources of water supply are summarized as follows.

Surface Water from the Santa Fe River Watershed. The Santa Fe River begins in the upper reaches of the watershed at Santa Fe Lake, a natural lake in the mountains above town. Downstream from the lake, the river picks up additional runoff from the watershed as it travels toward two man-made potable water supply reservoirs. McClure Reservoir is located upstream of Nichols Reservoir. These reservoirs are used to store surface water from the river for delivery to four acequias and potable treatment at the Canyon Road Water Treatment Plant (Canyon Road WTP). The Canyon Road WTP is located downstream from the reservoirs where it treats the water from the two reservoirs.

Groundwater from the City Well Field along the Santa Fe River. The City Well Field is mostly located in close proximity to the Santa Fe River and includes nine wells. Water pumped from these wells is introduced to the distribution system immediately after onsite treatment. The City has different pressure zones, with different wells in several zones.

Imported water from the Buckman Wells near the Rio Grande. The Buckman Wells are located adjacent to the Rio Grande and include thirteen deep set wells. Product water is re-pumped by four booster pump stations through a pipeline conveying it about 15 miles to the City's potable water distribution system. The total static lift from the water table elevation in the well field to terminal storage is over 2,000 feet. Storage facilities are used to buffer supply against demand in the pipeline between the well field and town. There are also several observation wells in the Buckman area. Depletions to the Rio Grande and certain tributaries from pumping the Buckman Wells are offset using surface water rights owned or leased by the City.

The City water system has a connected population of about 78,000, and in 2045, the population served is expected to exceed 120,000. Current unrestricted demand is estimated at about 13,000 acre-feet per year. However, drought conditions in recent years prompted the City to implement emergency drought measures that resulted in temporary but significant reductions in demand, bringing it in line with available supplies. The 2045 demand is projected to exceed 20,000 acre-feet per year.

Santa Fe County

The Santa Fe County utilities department delivers water in the County through three long-term delivery agreements with the Sangre de Cristo Water Division (SDCW) of the City of Santa Fe. SDCW produces this water through the Buckman Wells, wheels the water over the distribution

system, and delivers the water at SDCW system pressures to the SFCWC water system at the transfer meter locations.

There are three delivery points for the water. The first delivery point is located south of Interstate Highway I-25 on the west side of Richards Avenue, and the second is on the west side of Cerrillos Road across from the Santa Fe Factory Outlet Stores. The third delivery point is located at the south end of Las Campanas Estates I and II. It is capable of transferring 1,500 gpm, sized to provide residential fire flow. The City and County are planning to add a fourth delivery point.

Las Campanas

The City does not use any of its water rights or contract water to supply Las Campanas, but there are agreements in place for service and use of the City's infrastructure. Delivery of water is made at three points to Las Campanas: two of them are located at the golf course diversion point and the third at the domestic diversion point.

2.3 BDD Project Facilities

General

As illustrated in Attachment B, the Project includes a wide variety of water supply facilities primarily located on land owned by several federal, state and local authorities (including the U.S. Government [BLM and USFS], the State of New Mexico, the County and the City). Each major component of the Project is briefly summarized below. Additional detail is provided in reports and other documents in the Procurement Library.

Diversion Structure

The proposed point of diversion is located on the east bank of the Rio Grande in northern New Mexico, near the historic Buckman town site. The diversion site is about 15 miles northwest of the City of Santa Fe. It is located about 3 miles downstream from where Route 4 crosses the Rio Grande at the Otowi Bridge, which is where stream flow data have been recorded by the U.S. Geological Survey for more than a century. The Diversion Structure will include a river intake with a peak capacity of 28 to 32-cfs.

Near River Facilities

The Raw Water Lift Station, with the equipment and controls building (Diversion Support Facility Building), will pump raw water through pipelines from the Diversion Structure to the Sediment Removal Facility. The Sediment Removal Facility will consist of high-rate solids separation equipment to remove sand and grit to protect booster station pumping equipment. If approved by the USEPA and NMED, a return pipeline will be constructed connecting the Sediment Removal Facility to the river to return approximately 4-cfs of water containing settled sand back to the Rio Grande. If the return pipeline is not approved, storage facilities will be constructed to dry the sand to be hauled away for disposal or reuse (possibly to be used as daily cover at the local landfill nearby).

Two 18.25-mgd capacity high-head pump stations, one located near the Sediment Removal Facility (Booster Station 1A) and one adjacent to existing Buckman Booster Station 2 (Booster Station 2A) will convey raw water from the Sediment Removal Facility through one or two conveyance pipelines to Las Campanas and to the new City/County water treatment plant (City/County WTP).

City/County WTP

Treatment of the raw water diverted for the City and County will be accomplished through a new 15-mgd water treatment plant (City/County WTP) located on a 20 to 25 acre site at the Municipal Recreation Complex (MRC) outside the City. Two new booster stations (Booster Stations 4A and 5A) will also be located at this City/County WTP. Booster Station 4A will have a capacity of 8.9-mgd and will pump treated water to the existing Buckman pipeline at Booster Station 3 for distribution of treated water into the City's distribution system via an existing 10-million-gallon tank. Booster Station 5A will convey up to 15 mgd of finished water to the southwest portion of Santa Fe and will be connected to the County's distribution system in two locations. The Las Campanas WTP is not part of the Project.

The current status of preliminary design of the City/County WTP by the Owners and the Owners' Consultant indicates that the following treatment units may be incorporated into the Project: raw water equalization/blending, coagulation/flocculation/sedimentation, membrane filtration, ozonation, and granular activated carbon adsorption. As the preliminary design is advanced, modifications to this treatment process may occur and will be reflected in the Step 2 RFP.

Raw and Finished Water Pipelines

The Project includes some 40 miles of 12- to 36-inch raw and finished water pipelines that extend from the Rio Grande to as far as the intersection of Interstate 25 and NM 599. The construction of the pipelines includes jacking-and-boring, river and arroyo crossings, and work in federal, state, county and city lands as well as private lands. In addition, this construction will take place in environmentally sensitive areas, possibly with archaeological and historical artifacts, as well as in light commercial and residential areas with heavy traffic.

Miscellaneous

The Project will also include the realignment and upgrade of portions of approximately 9 miles of Buckman Road to improve access to all facilities and/or to facilitate exportation of sand and grit from the Sediment Removal Facility. An additional quarter mile of an existing utility corridor road into the City/County WTP will be upgraded and paved for plant access. Ancillary work includes construction of a new electrical substation adjacent to Caja del Rio Road, upgrades to the existing Buckman Substation near existing Buckman Booster Station 2, and installation by PNM of electrical service facilities by the electric utility.

2.4 Role of Owners' Consultant

CDM has been retained by the BDD Board as Owners' Consultant (OC) for the Project with a scope of services that includes:

- Assistance in planning, documenting, and conducting a two-step procurement process for design/build delivery
- Acquisition of certain permits and easements
- Site investigations
- Developing technical and performance requirements
- Water treatment pilot testing and analysis
- Treatment studies and preliminary design

- Monitoring of DB Contractor performance
- Assistance with the initial operation and maintenance of the Project
- Communications and community outreach assistance

The detailed scope of services for the Owners' Consultant, including Phase A under the original agreement, and Phases B, C, D and E under Amendment Number 1, is in the Procurement Library.

CDM has retained the services of several subconsultants, including ASCG/ASTS, Vineyard & Associates, Inc., Timberline Engineering Inc., Sites Southwest LLC, SWCA Environmental Consultants, Corpro Companies Inc., First Southwest Company, Olympic Associates Company, and Terada Engineering Inc. None of these firms may be included on a DB Team.

2.5 Intended Scope of DB Contractor Services

General

The BDD Board intends to engage the DB Contractor for the permitting, design, construction, and performance testing of the facilities generally described in Section 2.3 above. The DB Contract will be included as part of the Step 2 RFP and will provide for compensation of the DB Contractor's obligations on a lump sum basis.

Permitting

The responsibility of acquiring the permits and approvals required for the Project will be divided primarily between the Owners' Consultant and the DB Contractor. The assignment of specific responsibilities is set forth in the Permit and Easement Plan prepared by the Owners' Consultant and included in the Procurement Library.

Table 1 shows permits, easements, and other requirements and the assigned responsibility for completing these. In general, the Owners' Consultant (OC) is assigned responsibility for permits that: 1) require a long time to obtain or 2) can be obtained with either conceptual or preliminary design. The DB Contractor is assigned responsibility for permits that: 1) require final design, 2) must be obtained just prior to beginning construction, or 3) require input from the DB Contractor. Permits that have a shared responsibility are generally those that can be started by the Owners' Consultant, but require details from the DB Contractor to complete. Table 1 will be finalized prior to the issuance of the Step 2 RFP.

Table 1 – Permits, Easements and Other Requirements

Item No.	Responsible Party	Agency	Description
PERMITS FROM FEDERAL AGENCIES			
A1	OC	USACE	US Army Corps of Engineers, Permit for Diversion (Intake) Structure, River, and Arroyo Crossings, <i>Application, Plan Reviews, and Approval</i>
A2	OC	US BLM and USFS	Bureau of Land Management and US Forest Service Right-of Way, Temporary Use, and Special Use, <i>Re-application, Plan Review, and Approval</i>

Item No.	Responsible Party	Agency	Description
A3	DB Contractor	USEPA	US Environmental Protection Agency Notice of Intent and Notice of Termination to Comply with NPDES Permit; US Environmental Protection Agency Storm Water Pollution Prevention Plan; and NMED Certification of NPDES Permit, <i>Application and Approval</i>
A4	OC	USEPA	US Environmental Protection Agency Sediment Discharge Permit, <i>Application and Approval</i>
PERMITS FROM STATE AGENCIES			
A5	DB Contractor	NMCID	NM Construction Industries Division Approval for Construction, <i>Application, Plan Review, and Approval</i>
A6	OC	NMDCA	New Mexico Department of Cultural Affairs, National Historic Preservation Act (Section 106) Compliance, <i>Consultation and Concurrence</i>
A7	OC and DB Contractor	NMDOT	NM Department of Transportation Permit to Install Utility Facilities within Public Right of Way, <i>Application, Plan Review, and Approval</i>
A8	OC	NMED AQB	NM Environment Department Air Quality Bureau, <i>Application and Approval</i>
A9	OC and DB Contractor	NMED DWB	NM Environment Department Drinking Water Bureau Approval of Construction or Modification of Existing Public Water Supply System, <i>Application, Plan Review, and Approval</i>
A10	OC	NMED FOD/GWQB	NM Environmental Department Field Operations Division, Liquid Waste Permit and Groundwater Quality Bureau Pollution Prevention Section Notice of Intent Form, <i>Application, Plan Review, and Approval</i>
A11	Owners	OSE	Office of the State Engineer Permit to Divert Surface Waters and Permit to Change Place, Purpose of Use, and Point of Diversion for Native Waters, <i>Application, Plan Review, and Approval</i>
PERMITS FROM LOCAL AGENCIES			
A12	OC and DB Contractor	Santa Fe County LUD	Santa Fe County Land Use Department, Development Permit Application, <i>Application, Plan Review, and Approval</i>
A13	DB Contractor	City of Santa Fe	City of Santa Fe Development Permit, <i>Application and Approval</i>
EASEMENTS FROM STATE AGENCIES			
B1	OC	NMSLO	NM State Land Office Application for Right of Way Easement, <i>Application, Plan Review, and Approval</i>

Item No.	Responsible Party	Agency	Description
EASEMENTS FROM LOCAL AGENCIES			
B2	DB Contractor	Santa Fe County Public Works	Santa Fe County Public Works Department Application For Right of Way, <i>Application, Plan Review, and Approval</i>
EASEMENTS FROM PRIVATE PARTIES			
B3	OC	Private	Easements through Private Property, <i>Appraisal, Negotiation, and Agreement</i>
OTHER REQUIREMENTS FROM FEDERAL AGENCIES			
C1	OC and DB Contractor	BLM and USFS	Bureau of Land Management Plan of Development and US Forest Service Operations Report, <i>Addenda and Revisions</i>
C2	DB Contractor	BLM and USFS	Bureau of Land Management US Forest Service Visual Management Objectives, <i>Plan</i>
C3	OC and DB Contractor	USFS	US Forest Service Native Plant Revegetation Mitigation Program and Habitat Loss Mitigation, <i>Plan</i>
C4	DB Contractor	BLM and USFS	Invasive Plant Species Mitigation, <i>Compliance</i>
C5	DB Contractor	BLM and USFS	Soil Protection Mitigation Techniques, <i>Plan</i>
C6	OC and DB Contractor	USFWS, NMDGF, and NMSFD	Endangered Species Act and Regulations Concerning Special Status Species and Migratory Birds, <i>Compliance</i>
OTHER REQUIREMENTS FROM STATE AGENCIES			
C7	OC and DB Contractor	NMED CPB	NM Environment Department Construction Programs Bureau, <i>Plan Review and Approval</i>
C8	OC and DB Contractor	NMFA	New Mexico Finance Authority, <i>Application for Funding, Plan Review and Approval</i>
C9	OC and DB Contractor	NMED SWQB	NM Environment Department, Surface Water Quality Bureau, permits for NPDES sediment return, NPDES storm water, and USACE dredge and fill, <i>Certification</i>
OTHER REQUIREMENTS FROM LOCAL AGENCIES			
C10	DB Contractor	City of Santa Fe	Noise Constraints and Stipulations, <i>Compliance</i>
C11	OC	Various	Residuals Disposal, <i>Considerations and Alternatives</i>
C12	OC and DB Contractor	Various Utilities	Utility Coordination, <i>Submittal, Coordination and Compliance</i>

Design

A preliminary design of the Project facilities will be prepared by the Owners' Consultant and included in the Step 2 Request For Proposals (RFP) issued to the Qualified Respondents. Proposer use of preliminary design will be mandated in the RFP, as Proposers will be required to accept or upgrade the preliminary design when Proposals are submitted and to incorporate the preliminary design in its detailed design and construction of the Project. Within the mandatory preliminary design, it is expected that a number of areas will be identified where design flexibility

will be open to Proposers. The extent of the preliminary design to be included in the RFP will differ for each Project component as follows:

- Diversion structure and raw water lift station – moderate level
- Sediment Removal Facility – low level
- Raw water pipelines and booster stations – low level
- City/County Water Treatment Plant – high level
- Finished water transmission pipelines – moderate level

The DB Contractor will be required to provide a final design for all facilities, prepared by a design professional(s) registered to perform engineering and architectural services in the State of New Mexico. The final design must incorporate the preliminary design and other requirements provided with the RFP. It is anticipated that the DB Contractor's design will be prepared in different packages to accommodate Project Manager and Owners' Consultant review, permitting and phased construction.

Environmental Compliance

The DB Contractor will be required to provide an environmental lead to coordinate environmental compliance activities. Those activities include developing compliance implementation plans, communicating environmental requirements and implementation plans to the DB Contractor team, monitoring compliance during design (design review) and construction (construction monitoring), and documenting environmental compliance.

The DB Contractor will be required to comply with all of the environmental requirements found in the Final Environmental Impact Statement and all the conditions of the Project's permits and easements. Expertise will be necessary to address issues in the following expected resource categories:

- **Archaeology:**
The Owners' Consultant (OC) will complete the archaeology investigations for the known archaeological sites prior to the signing of the DB Contract. The OC will provide an archaeology monitor for 40 eight-hour days to monitor DB Contractor construction activities near sensitive areas. The DB Contractor will be responsible for coordinating with the OC for the presence of the archaeology monitor prior to working in archaeologically sensitive areas. If ground-disturbing activities in archaeologically sensitive areas are not completed within 40 eight-hour days, the DB Contractor will be responsible for providing an archaeology monitor. If any archaeology sites are discovered during Project implementation, the OC will provide archaeological planning and excavation to mitigate impacts and provide "clearance" for construction to resume. Details regarding archaeology compliance will be available with the RFP.
- **Threatened, Endangered, or Special Status Species:**
The OC will develop a compliance plan, details of which will be available with the Step 2 RFP. The DB Contractor will be required to provide expertise as needed to implement the plan.
- **Migratory Bird Treaty Act Compliance:**

The Migratory Bird Treaty Act (MBTA) requires that migratory birds and their nests and eggs cannot be disturbed during construction of the Project. The OC will provide a biologist to survey for active nests for up to 32 eight-hour days during the first nesting season. The DB Contractor will be responsible for coordinating with the OC for the presence of the biologist prior to clearing vegetation during the nesting season (April to August). If vegetation removal takes place after during the nesting season and after the OC has provided 32 days of survey, the DB Contractor will be responsible for providing a qualified biologist to comply with MBTA requirements. Details regarding MBTA compliance will be available with the RFQ.

- Clean Water Act Compliance:
 - USACE Section 401/404 Permitting
The OC will acquire the Section 404 permit(s) prior to signing the DB Contract.
 - EPA NPDES / SWPPP
The DB Contractor will be required to meet all requirements for Section 402 of the Clean Water Act.

The DB Contractor will be required to develop and implement several additional compliance and other plans listed as follows:

- Noxious Weeds Management Plan
- Native Plant Revegetation Mitigation Program
- Soil Protection Mitigation Techniques
- Wildlife Mitigation Measures
- Recreation Resources and Traffic; Recreation Opportunity Spectrum (ROS)
- Visual Management Objectives
- Noise Management Objectives
- Air Quality Objectives; The Federal Clean Air Act of 1970 and National Ambient Air Quality Standards (NAAQS)

The DB Contractor will be required to conduct all studies and impact mitigation for contractor-located off-ROW areas such as equipment yards, office location, material pits, excess material waste areas, and work and storage areas. Studies could include all of the above resource categories and could include NEPA documentation.

Construction

The DB Contractor will be responsible for all construction activities, including safety, security, and quality management, associated with the implementation of the Project facilities. Construction activities will be monitored by the Owners' Consultant.

Performance Testing

The DB Contractor will conduct performance tests for completed facilities before transfer to the Owners' for operation and maintenance and at two other times within the next 18 months, as directed by the Owners. The Owners' Consultant will monitor performance testing and will review the results of such testing.

2.6 Project Information

The Procurement Library can be accessed via the City's web site at :

<http://www.santafenm.gov>

It includes documents relevant to the Project and may be periodically updated with additional documents. The following prompts must be followed :

Hot Topics

Buckman Direct Diversion

[End of Section 2]

3.0 Procurement Process

3.1 Procurement Authority

As provided in the Joint Powers Agreement, the DB Contract will be entered into between the BDD Board and the DB Contractor and will be procured pursuant to the City Purchasing Manual. The procedures for Design Build projects are set forth in Section 23.B of the City October 1, 2003 Purchasing Manual, as such Section 23.B was amended on November 30, 2005. The City Purchasing Manual (as amended) is included in the Procurement Library.

The Owners' legal counsel have determined that legal authority for design/build contracting is available to the City of Santa Fe under the City Purchasing Manual (General Provisions) and is available to the County of Santa Fe under the State Procurement Code (Section 13-1-119.1 NMSA 1978). The Joint Powers Agreement authorizes the BDD Board to exercise these powers on behalf of the City and County under the Joint Powers Agreements Act (Sections 11-1-1 to 11-1-7 NMSA 1978).

3.2 Ineligibility

No Respondent, Proposer, or DB Contractor may include a DB Team Member or other firm or person that is currently disbarred or suspended by the City or the County or in the last three years has been convicted of, or has violated, any of the provisions set forth in Section 27.2 of the City Purchasing Manual or in 13-1-178 of the State Procurement Code. Except as provided below in Paragraph 3, no firm or person that, during the period from the date of issuance of this RFQ to the effective date of the DB Contract, is under contract with, provides services to, or otherwise works for the BDD Board, the City, the County or Las Campanas LP **with respect to the Project** may be included as a DB Team Member or may assist or support a Respondent, a Proposer, or the DB Contractor. Such ineligible firms include the Owners' Consultant (CDM) and the CDM subconsultants named in Section 2.4.

Engineering Consultant for Las Campanas LP

CH2M Hill has been providing engineering services to Las Campanas LP for approximately the past five years, including services to support Las Campanas LP's participation in the Project for certain facilities which will be shared by the City, County, and Las Campanas LP (Shared Facilities), and to plan and design certain water transmission and treatment facilities that are not part of the Project but will utilize water delivered by the Project (LC-only Facilities). The following conditions have been established by the BDD Board if such consultant to Las Campanas desires to participate in the procurement process for the Project:

1. Assuming that Las Campanas LP continues to retain CH2M HILL as its consultant for the LC-only Facilities work: No Las Campanas LP representative can be a member of either the Step 1 or Step 2 Selection Committee or otherwise participate in the selection processes. In the event that CH2M HILL remains as Las Campanas LP's consultant for the LC-only Facilities, Las Campanas LP may not see or obtain copies of the Step 1 or 2 submittals or the Step 2 RFP or any related procurement documents until they are made available to the public. Las Campanas LP representatives may not participate in non-public meetings that discuss the development or contents of the Step 2 RFP or any related procurement documents.

2. The Owners' Consultant, CDM, will make available to all potential procurement process participants, any engineering reports and other documents prepared by CH2M HILL or Las Campanas in connection with the Project (except for confidential non-technical communications), such that all potential procurement process participants have equal access to such information, thus encouraging a "level playing field" with the intent that no one participant has an unfair competitive advantage, provided, however, that the procurement process participants (including the Qualified Respondents) cannot rely on the accuracy of information included in these documents (i.e., the accuracy of such information is not guaranteed) and should therefore be used at their discretion and risk. CDM will also verify that such documents do not exclude any that are relevant and that should be included in the interest of full disclosure.
3. CH2M HILL may not perform any work for Las Campanas LP (or the other regional partners) on the Shared Facilities (except as noted below), but may continue to work for Las Campanas LP with respect to the LC-only Facilities, including cost analysis, hydraulic analysis for water incoming to LC-only Facilities, design of the LC-only Facilities, and the preparation of a technical memorandum (including revisions) describing the needs and requirements of Las Campanas LP at the interface of the Shared Facilities and the LC-only Facilities (which memo is to be submitted by LC to the Project Manager for incorporation by the Owner's Consultant in the Step 2 RFP and may also be used by Las Campanas LP in finalizing the Facility Operations and Procedures Agreement with the City and the County for the Shared Facilities). With respect to the Shared Facilities, CH2M HILL may continue and complete its work on the Project regarding resolution of issues associated with the Endangered Species Act (*i.e.*, silvery minnow), possible Section 7 Consultation, and technical support to Las Campanas LP for finalizing the terms of the Facility Operations and Procedures Agreement; and upon issuance of the Step 2 RFP, CH2M HILL may advise Las Campanas LP about any areas in the Owners' Consultant's preliminary design or otherwise where the Step 2 RFP may be deficient in light of the technical memorandum noted above, but provided that Las Campanas LP shall immediately inform the Project Manager of any such deficiencies and the Project Manager shall amend the Step 2 RFP as may be necessary to correct such deficiencies. All technical reports and related documents prepared by CH2M HILL related to the Section 7 and any other work performed by CH2M HILL on behalf of Las Campanas LP will be provided to the City and County for inclusion in the Procurement Library such that all potential procurement process participants have equal access to this information. Notwithstanding the above, in the event that CH2M HILL is not selected for the pre-qualified short list or for the DB Contract or otherwise is not a participant in the procurement process, Las Campanas LP may utilize CH2M HILL for the study and design of any Las Campanas work.
4. Las Campanas LP and CH2M HILL will maintain strict confidentiality throughout the procurement process concerning the Project (e.g., neither Las Campanas LP nor CH2M HILL will exchange any material information, insights, opinions, or otherwise discuss any material aspect of the Project, including with each other, except as provided herein).

The BDD Board is strongly committed to the goal of implementing a procurement process for the DB Contract that is fair and open to all qualified firms. Potential Respondents are invited to submit written questions or comments to the BDD Contact relative to any issues regarding the above conditions.

3.3 Procurement Steps

The procurement process for the DB Contract includes two basic steps.

Step 1 Request For Qualifications

This first step of the procurement process started with the issuance of this Step 1 Request For Qualifications (RFQ) and will conclude with the designation of a short list consisting of up to three Respondents that will be invited to submit proposals in the second step (Qualified Respondents). This RFQ phase includes a **mandatory pre-Submittal conference** and is expected to be completed in May, 2006. Before final designation of the Qualified Respondents, a written commitment of each Qualified Respondent's intent to participate in the second step and to submit a responsive Proposal may be required.

Step 2 Request For Proposals

The second step of the procurement process will begin with the issuance of a Step 2 Request For Proposals (RFP) to the Qualified Respondents. The RFP is expected to be issued in June, 2006, and approximately 90 days will be scheduled for proposal preparation. A mandatory pre-proposal conference for the Qualified Respondents will be held some 30 days after issuance of the RFP. The RFP step will conclude with the evaluation of the Proposals by the Step 2 Selection Committee, unless the evaluation process is extended through a request for clarifications.

If at any time during the RFP phase, one or more of the Qualified Respondents indicates that it does not intend to submit a responsive Proposal or if the qualifications of one or more of the Qualified Respondents changes substantively in an adverse manner from the information presented in the Step 1 Submittal, one or more Respondents from the RFQ step not initially included as Qualified Respondents may be invited to participate in Step 2 of the procurement process. If a new Qualified Respondent is added, the time for preparing Proposals may be extended.

Clarifications

The procurement process will not require best and final offers. However, before completing its evaluation of the Proposals, the Step 2 Selection Committee may elect to request Proposal clarifications from the Proposers, if it is determined that such requests would be in the best interest of the Step 2 Selection Committee, the BDD Board, or the Owners. Any such request for clarifications may be sent to all or less than all of the Proposers.

Contract Negotiations

Upon completion of the RFP step, contract negotiations would be initiated with the top-ranked Proposer or with more than one Proposer simultaneously. While it is not currently the intent to conduct simultaneous negotiations, this option is being left open in the event a Proposal or Proposals modify important draft DB Contract terms and simultaneous negotiation is determined to be the most effective and timely way to resolve such modifications. The purpose of such contract negotiations would be to prepare a final DB Contract that would be submitted to the BDD Board for approval. If at any time during such negotiations it is determined that continued negotiations are unlikely to result in contractual terms and conditions that would be in the Owners' or BDD Board's best interest, then negotiations may be terminated and may be initiated with the next ranked Proposer and further with lower ranked Proposers.

Award of Contract

Upon the Step 2 Selection Committee's recommendation of a final DB Contract to the BDD Board, the BDD Board, in accordance with the City Purchasing Manual, may approve the recommendation and enter into the final DB Contract or determine that the recommended DB Contractor or final DB Contract would not be the most advantageous to the BDD Board. If the BDD Board determines that the recommended DB Contractor or final DB Contract would not be the most advantageous, the BDD Board may take one of the following actions: (1) table the recommendation pending further information, (2) determine that the Step 2 Selection Committee was inappropriate and appoint a new selection committee to re-evaluate the Proposals, (3) determine that the final DB Contract is inadequate and that additional negotiations should be conducted with the recommended DB Contractor, (4) provide information not considered by the Step 2 Selection Committee that disqualifies the recommended DB Contractor, or (5) reject all Proposals and re-issue a modified RFP.

3.4 Evaluation Criteria

The evaluation criteria for each step of the procurement process are summarized below. The Step 1 Evaluation Criteria are described in more detail in Section 5 and the Step 2 Evaluation Criteria will be described in more detail in the RFP. Each step of the process will also include an initial review of the Submittals and Proposals to determine responsiveness.

Step 1 Evaluation Criteria

The evaluation criteria and relative weights that will be applied by the Step 1 Selection Committee to rank the Respondents and to determine the Qualified Respondents are presented in Section 5.4.

Step 2 Evaluation Criteria

The evaluation criteria and relative weights that are expected to be applied by the Step 2 Selection Committee to rank the Proposals are set forth in Table 2. In the Step 2 RFP, these criteria and weights may be revised and will be described in more detail.

Table 2 - Step 2 Evaluation Criteria

Criterion	Relative Weight
Cost	60%
Design and Construction Quality Risk Allocation Schedule Qualifications	40%

These criteria will be applied only to the Proposals that are determined to be responsive. If it does not conflict with federal or state requirements, a criterion for the hiring of local subcontractors and service providers may be added to the non-cost criteria in Table 2.

3.5 Selection Committees

Step 1 Selection Committee

The Step 1 Selection Committee will include seven members appointed by the Project Manager, as follows: three City representatives, three County representatives, and an at-large individual. Decisions and actions of the committee will require the majority vote and a quorum of five members. The individual members of the Step 1 Selection Committee will be appointed not later than 45 days after issuance of this RFQ, provided that the Project Manager may in its discretion

replace or substitute a member of the Selection Committee with another member that represents the City or the County or is at-large. The Project Manager and Owners' Consultant will support the Step 1 Selection Committee's evaluation of the Submittals.

Step 2 Selection Committee

The Step 2 Selection Committee will include seven members appointed by the Project Manager, as follows: three City representatives, three County representatives, and one at-large member. Decisions and actions of the committee will require the majority vote of a quorum of five of the members. The individual members of the Step 2 Selection Committee will be appointed not later than 60 days after issuance of the RFP, provided that the Project Manager may in its discretion replace or substitute a member of the Selection Committee with another member that represents the City or the County or is at-large. The Project Manager and Owners' Consultant will support the Step 2 Selection Committee's evaluation of the Proposals.

3.6 Current Procurement Schedule

The schedule for major activities in the procurement process is outlined in Table 3.

Table 3 - Current Procurement Schedule

Activity	Date
Issuance of RFQ	February 6, 2006
Mandatory Pre-Step 1 Submittal conference	March 10, 2006
Deadline for RFQ questions	March 20, 2006
Step 1 Submittals due	April 5, 2006
Selection of short list	May, 2006
Issuance of RFP	June, 2006
Mandatory Pre-proposal conference	July, 2006
Project site visits	June-August, 2006
Deadline for RFP questions	August, 2006
Proposal submissions	September, 2006
Evaluation of proposals	Sept.- Oct., 2006
Contract negotiations	November, 2006
BDD Board approval	December, 2006

The Table 3 schedule is preliminary and subject to change.

3.7 Step 2 Request for Proposals

For the purpose of obtaining comments from Respondents on Step 2 of the procurement process, a preliminary summary of certain aspects of the DB Contractor scope of services and related obligations that may be reflected in the RFP issued to the Qualified Respondents is provided in this Section 3.7. It should be noted, however, that changes in these preliminary terms may occur after the RFQ process is completed and when the RFP is issued. Where the Owners' Consultant is referenced, additional detail on the scope of such services may be obtained in the Procurement Library. The use of federal funds for the Project may impose conditions that could affect these and other terms of the Step 2 RFP.

Treatment Pilot Testing and Site Investigations

The results from a comprehensive program of raw water quality sampling, treatment pilot testing, and site investigations (including geotechnical, archaeological recovery at known sites, surveying, and Phase 1 environmental site assessment) performed by the Owners' Consultant will be included in the RFP. Except where it may be otherwise noted in the RFP, Proposers will be

expected to rely on the baseline conditions characterized by these results and may only be able to conduct limited (non-destructive) additional investigations for Proposal preparation due to property owner restrictions.

Permits, Utilities and Easements

As indicated in the Permit and Easement Plan included in the Procurement Library, implementation of the Project will require the acquisition of an extensive list of federal, state and local permits and approvals. Some of the major permits and approvals will not be included in the DB Contractor's scope of work, as they are being obtained by the Owners' Consultant. Such permits include a U.S. Environmental Protection Agency NPDES Sediment Return Discharge permit, U.S. Army Corps of Engineers Section 404 permits for the Rio Grande intake and arroyo crossings, Bureau of Land Management and U.S. Forest Service temporary and special use permits, and documentation of required U.S. Fish and Wildlife Service wildlife protection and mitigation measures. The Owners' Consultant will also provide services to obtain various easements and right-of-ways and to prepare a plan for the coordination of utilities. The permits and approvals expected to be obtained by the DB Contractor are listed in the Permit and Easement Plan.

Design Responsibilities

The Owners' Consultant is preparing a preliminary design of the Project's facilities that must be incorporated in the final design by the DB Contractor. The Owners' Consultant will also establish performance requirements for the completed Project that must be guaranteed by the DB Contractor. The preliminary design will be advanced to different levels of completion by the Owners' Consultant for different components of the Project (as described in Section 2.5). The Owners' Consultant's scope of services for Phase B in the Procurement Library describes in detail such levels of preliminary design. Proposers will be required to incorporate the preliminary design in its Proposal and final design under the DB Contract. However, it is anticipated that specific opportunities for design flexibility will be afforded to Proposers.

Alternatives or modifications that conflict with the preliminary design prepared by the Owners' Consultant will not be accepted – except that upgrade modifications will be considered if the Proposer determines that such upgrades are necessary to meet its guaranteed performance requirements. The DB Contract will include an expressed acknowledgement by the DB Contractor that the final design is solely the work product and responsibility of the DB Contractor, and any preliminary design and related design criteria prepared by the Owners' Consultant shall be merged in the DB Contractor's final design. Neither the BDD Board, the Owners, nor the Owners' Consultant shall have any warranty obligations or liabilities for the preliminary design or related design criteria or specifications (either express or implied) and such shall be stated in the DB Contract.

The detailed design documents prepared by the DB Contractor for construction will be subject to review and comment by the Owners, the Owners' Consultant and various State agencies before construction may be initiated. Such design review may be staged to enable fast tracking.

Construction Responsibilities

The DB Contractor will be required under the DB Contract to construct the facilities in accordance with the detailed design documents reviewed by the Project Manager and the Owners' Consultant and to apply comprehensive quality management procedures. Construction work will be subject to observation by the Owners' Consultant. Safety, security, and means and methods of construction will be the full responsibility of the DB Contractor. Construction and related

activities of the DB Contractor will be required to stay within temporary easements and to comply with strict stipulations to be imposed by property owners, including the U.S. Forest Service and the U. S. Bureau of Land Management.

Performance Testing and Warranty

Given the wide variability in seasonal and daily raw water conditions in the Rio Grande, two additional performance testing periods may be required after the initial performance test by the DB Contractor upon completing construction. The two additional performance testing periods (approximately 30 days each) would be scheduled by the Owners' within 18 months of the initial test. In addition, the DB Contract may include a performance warranty that extends for two years after the initial performance test whereby the DB Contractor would guarantee performance of the completed Project under variable raw water conditions. Such two-year performance warranty may be required in place of, or in addition to, the two additional performance testing periods.

Allocation of Risk and Insurance

The DB Contract will address appropriate risk allocations consistent with the Owners' Objectives (as set out in Section 1.4 of this RFQ). Consideration will be given to industry practice for projects of this nature and allocating risks to the party best able to control the risk. Qualified Respondents will be given the opportunity during the RFP process to make recommendations on appropriate risk allocation consistent with the Owners' Objectives.

The DB Contract will also address insurance requirements for the Project. The Project Manager intends to retain an insurance consultant to assist in identifying the specific insurance coverage requirements that will be set out in the RFP. Proposers may be requested to include pricing for insurance coverage and provide suggestions and recommendations on cost savings that can be realized in the area of insurance coverage. The Project Manager is exploring utilization of a comprehensive wrap up insurance program (owner controlled) to obtain inclusive coverage in a cost effective manner.

Security for Performance (bonds and/or letters of credit)

The DB Contract will include an obligation for a performance and payment bond as security for the obligations of the DB Contractor. A letter of credit may also be required in an undefined amount as additional security to ensure performance and obligations of the DB Contractor.

Consideration is being given (which will be addressed in the RFP and incorporated in the DB Contract) to setting some limitation for consequential damages and whether or not punitive damages will be limited or excluded under the DB Contract.

Project Schedule

It is important to the Owners that design, construction, and initial testing and acceptance of the Project be completed to allow full-scale operation no later than June 1, 2009. Earlier completion will be a positive factor in the Step 2 evaluation of Proposals and may be rewarded under the DB Contract with payment of an early completion bonus. Likewise, late completion may be subject to liquidated or actual damages. Assuming that the DB Contract is executed by December 15, 2006, the Proposer may be required to guarantee the June 1, 2009 date, subject to contractual excuses for delay. Proposers will be required to submit a detailed schedule for execution of the Project and a resource analysis to support such schedule.

DBE and Local Preference

The use of federal or state funds for the Project may result in the imposition of goals or requirements for the participation of disadvantaged business enterprises (minority-owned, women-owned and disabled-owned enterprises) in the performance of the DB Contract. State or local contracting preferences will not be mandated, but the use of local firms may be encouraged.

Davis-Bacon Wages

The DB Contractor and its subcontractors will be required to comply with the current Davis-Bacon wage determinations published by the U. S. Department of Labor for construction work.

Applicable Law

The DB Contractor will be required to comply with all laws applicable to the services and work performed under the DB Contract, including ordinances, resolutions, regulations, and requirements of the City and the County, and any and all applicable Federal and State laws.

3.8 Miscellaneous

Procurement Rights and Conditions

This procurement process is subject to the following rights and conditions, which may be exercised in the sole discretion of the Project Manager, BDD Board, Step 1 Selection Committee, or Step 2 Selection Committee at any time during the procurement process:

- (a) to cancel or suspend this RFQ or the procurement process, with or without the substitution of another pre-qualification or procurement process;
- (b) to waive any informality, defect, non-responsiveness, or deviation in an Step 1 Submittal, a Proposal, or other submission;
- (c) to require one or more Respondents to correct, supplement or clarify its Step 1 Submittal or to provide additional information or participate in meetings or interviews after the submission of Step 1 Submittals;
- (d) to take any action (including changes in any dates or in the evaluation criteria or factors) affecting this RFQ, the RFP or the procurement process that would be in the best interests of the Project Manager, BDD Board, Owners, Step 1 Selection Committee, or Step 2 Selection Committee;
- (e) to conduct investigations, make inquiries, and obtain data from any source concerning any aspect of any Step 1 Submittal;
- (f) to reject any or all Step 1 Submittals;
- (g) to reject a Respondent, DB Team Member, or other firm that has been delinquent or unfaithful in the performance of any contract with or obligation to the BDD Board, the City, or the County, is financially or technically incapable, or is otherwise not responsible;
- (h) to supplement, modify or amend this RFQ; and
- (i) to include in the RFP any terms, conditions, and requirements that may conflict with the terms, conditions, and requirements for the RFP set forth in this RFQ;
- (j) to make judgments about the contents of any Step 1 Submittal with respect to the requirements and criteria set forth in this RFQ.

Public Disclosure

The Step 1 Submittals will not be opened publicly, but may be open to public inspection at such time as the short list of Qualified Respondents is announced, except to the extent that trade secrets and other information may be protected and kept confidential under applicable law and except as public disclosure may otherwise be required under applicable law. The Step 1 Submittals and Proposals may be “public records” and subject to the Inspection of Public Records Act, N.M.S.A. Section 14-2-1 et seq. (1978). The confidentiality of information contained in the Step 1 Submittals and Proposals is determined by such Act.

If a Respondent claims an exception to public disclosure requirements and desires that to keep certain information from public disclosure, then the Step 1 Submittal must include a notice as the front page in each volume as follows:

“Confidential Information Notice

The information on pages _____ of this Step 1 Submittal, identified by a bold vertical line along the right hand margin, contains information that is excluded from public disclosure under applicable law. Respondent requests that such marked information be utilized only for evaluation of this Step 1 Submittal, but Respondent understands that the Project Manager is bound by applicable law and that such information may be disclosed in accordance with such law.

The legal basis for the claim for protection of the marked information from public disclosure is set forth as follows: [Respondent to provide basis]”

Notwithstanding any such notice, however, any and all information in the Step 1 Submittals may be disclosed to individuals participating in the review or evaluation of Step 1 Submittals, including employees, representatives, and advisors of the Project Manager, the Owners, and the Owners’ Consultant and members and representatives of the Step 1 Selection Committee and the BDD Board.

Costs to Participate

Any and all costs incurred by any Respondent, any DB Team Member, or other party in connection with this Step 1 RFQ, the Step 2 RFP or other aspect of the procurement process shall be at such party’s expense and risk. There is no liability on the part of any party involved with this procurement under any circumstance (including the cancellation or modification of this procurement) for any cost or expense incurred to respond to this Step 1 RFQ, the Step 2 RFP or otherwise participate in the procurement process.

Protests

Any protests regarding this procurement process must be filed in accordance with the requirements of Section 26 of the City Purchasing Manual.

DB Team Changes

After the selection of the short-listed Qualified Respondents, changes in the DB Team Members may be made only with the written approval of the Project Manager (in its sole discretion).

[End of Section 3]

4.0 Instructions for Respondents

4.1 General

BDD Contact

All communications must be directed by Potential Respondents to the BDD Contact, as required under Section 4.2.

Submission Deadline and Place

Fifteen (15) copies and one original of the complete Step 1 Submittal must be delivered no later than **4:00 PM, Santa Fe time, April 5, 2006** (Submission Deadline). Any Step 1 Submittal received after the Submission Deadline will not be considered and will be returned unopened.

The Step 1 Submittal must be sealed, addressed and delivered to:

**City of Santa Fe
Purchasing Office
2651 Siringo Road, Building H
Santa Fe, New Mexico 87505
Attention: Purchasing Director**

The sealed envelope(s), box or boxes must have the following information clearly marked on the outside: (a) name of Respondent, and (b) "Step 1 Submittal for the Buckman Direct Diversion Project." Step 1 Submittals will not be opened publicly.

Mandatory Pre-Step 1 Submittal Conference

The BDD Contact intends to hold a **mandatory** pre-Step 1 Submittal conference for firms interested in being Respondents on **March 10, 2006**, from 9:00 AM until Noon, Santa Fe time, at Genoveva Chavez Community Center in Santa Fe. Attendance of the Respondent at the pre-Step 1 Submittal conference is mandatory, provided that extenuating circumstances may be taken into account to excuse a failure of a Respondent to attend such conference. If more than one Respondent is included on a DB Team (e.g., where two or more Respondents intend to form a new entity to be the DB Contractor), then only one of the Respondents are required to attend. Attendance is not mandatory for DB Team Members other than the Respondent.

Starting at 1:30 PM on March 10, a tour of the Project site will be conducted for interested parties. Participation in such tour is not mandatory and, as indicated below, separate visits to the Project site may be arranged with the BDD Contact.

Interested parties are strongly encouraged to submit written questions to the BDD Contact for the conference not later than March 3.

Potential Respondents

Only those firms that attend the mandatory pre-Step 1 Submittal conference (Potential Respondents) will be included on the RFQ registration list and will receive addenda or other instructions or information relative to this RFQ. Only such Potential Respondents may submit a Step 1 Submittal. It is the Potential Respondent's responsibility to confirm with the BDD Contact that it is included on the RFQ registration list.

Site Visits

Potential Respondents may arrange with the BDD Contact to visit the site of the Project. While the BDD Contact will make every effort to accommodate the schedule of Potential Respondents, there is no assurance that all requests for site visits can be met. Potential Respondents wanting to visit the site should contact the BDD Contact as early as possible. Such visits will be scheduled on a first come, first served basis and may include DB Team Members.

RFQ Questions

Questions and requests for clarification of this RFQ may be presented in writing (via email, fax or other delivery method) to the BDD Contact in Section 4.2 at any time, but not later than the date set forth in Table 3 and provided that after the mandatory pre-step 1 submittal conference, only Potential Respondents may submit such questions and requests for clarification. The BDD Contact will strive to respond to such inquiries within approximately 10 business days after receipt. However, the final round of responses from the BDD Contact will be provided no later than 5 business days before the Submission Deadline. Any and all BDD Contact responses will be in writing and will be distributed to all Potential Respondents as addenda to this RFQ. While each inquiry may be included word-for-word in the BDD Contract's written response, the name of the Potential Respondent that submitted the inquiry will not be included.

RFQ Ambiguity, Conflict, or Error

If any ambiguity, conflict or error is found in this RFQ, the Respondent must provide immediate written notification of such ambiguity, conflict or error to the BDD Contact.

Membrane and Ozone Equipment Manufacturers or Suppliers

No DB Team Member or other party associated with a DB Team may have or may enter into an exclusive or other arrangement with a manufacturer or supplier of membranes for water filtration that would prohibit such membrane manufacturer or supplier from providing membranes for the Project to other firms at comparable prices and terms. The BDD Board intends to conduct a separate pre-qualification process to identify membrane manufacturers and suppliers that would be acceptable for use by Proposers. Such list of pre-qualified manufacturers and suppliers will be included in the RFP. Similar to membrane equipment, no DB Team Member or other party associated with a DB Team may have or may enter into an exclusive or other arrangement with a manufacturer or supplier of ozone equipment that would prohibit such ozone equipment manufacturer or supplier from providing ozone equipment for the Project to other firms at comparable prices and terms.

4.2 BDD Contact

The only person who may be contacted regarding this RFQ or any other aspect of this procurement process (BDD Contact) is:

Mr. Rick R. Carpenter
Water Resources Coordinator
P.U.D./Sangre de Cristo Water Division
P.O. Box 909, Santa Fe, New Mexico 87504-0909
801 W. San Mateo, Santa Fe, New Mexico 87505-3923
Telephone: (505) 955-4206
Fax: (505) 955-4352
rrcarpenter@santafenm.gov

Any and all communications with the BDD Contact must be in writing. Email is the preferred form of communication with the BDD Contact.

4.3 Communications and Prohibited Contacts

After the mandatory Pre-Step 1 Submittal Conference, any and all communications regarding the RFQ or any other aspect of the procurement process must be in writing and must be limited to the BDD Contact and the Potential Respondent, unless otherwise directed in writing by such BDD Contact. Any person employed by or otherwise associated with a Potential Respondent or with an intended DB Team Member or Affiliate is prohibited from contacting any member of the BDD Board or any public official, staff member, or employee of the City or the County on any matter having to do with this procurement.

No oral communication or statement by any person, including the BDD Contact, may in any way modify this RFQ or any other aspect of the procurement process. This includes communications and statements that may be made during the mandatory pre-Step 1 Submittal conference. This RFQ or other aspect of the procurement process may be clarified or modified only through the issuance by the BDD Contact of a written addendum.

All communications regarding this RFQ will be shared by the BDD Contact with all Potential Respondents.

4.4 Required Format

Respondents are encouraged to be concise and to respond as directly as possible to the requirements set forth in this RFQ. Not including the appendices, the Step 1 Submittal must not exceed 75 pages. The margins on each page must not be less than 1-inch and font size must not be less than 11 point. Each page must be 8-1/2 inches by 11 inches and must be bound into a single document, provided that the appendices may be presented as one or more separate documents or volumes.

The Step 1 Submittal must be organized as follows:

Transmittal Letter

1. Executive Summary
2. Minimum Qualifications Summary
3. Organization and Management
4. Project Experience and Capabilities
5. Financial Condition
6. Past Performance
7. Project Approach

Appendix A - Management and Control (if applicable)

Appendix B - Resumes of Key Personnel

Appendix C - Financial Documentation

Appendix D - Project Comments

Audio visual materials, such as audio tapes, video tapes or CD ROM presentations, will not be accepted.

4.5 Required Content

The requirements in this Section 4.5 represent the minimum content that must be included in each section of the Step 1 Submittal, but are not intended to limit substantive content (unless expressly stated otherwise). It is the Respondent's responsibility to include information in the Step 1 Submittal that meets the minimum content requirements and any additional information that further demonstrates relevant qualifications.

Transmittal Letter

The transmittal letter must be signed by an authorized officer of the Respondent (or authorized officers of Respondents if more than one creates or intends to create a new legal entity as the DB Contractor) and must include: (a) name, title, address, telephone and fax numbers, and email address for the Respondent's contact person regarding all matters having to do with this RFQ and the Step 1 Submittal, (b) the name and role of each DB Team Member, and (c) confirmation of receipt of all RFQ addenda.

Executive Summary

This section must summarize the Step 1 Submittal, briefly describe the role, office location, and qualifications of each DB Team Member and Key Personnel, and highlight those qualifications that are directly relevant to the Project and the Step 1 Evaluation Criteria.

Minimum Qualifications Summary

This section must summarize and refer to the information presented elsewhere in the Step 1 Submittal that satisfies the Minimum Qualification Requirements.

Organization and Management

This section must describe the DB Contractor's organization and management of the DB Team and Key Personnel and must include:

- a description of project management, DB Team organization strategy, decision-making processes, and overall management philosophy;
- a firm organization chart depicting the reporting and control structure for the DB Team, a description of the role and scope of work of each DB Team Member, and the contractual and accountability relationships;
- a personnel organization chart showing the reporting and control structure for Key Personnel;
- a description of the quality assurance/quality control process and organization for permitting, design, and construction;
- a description of projects where DB Team Members have worked together; and
- a description of the Respondent's approach and philosophy towards achieving a cooperative, partnership environment among the DB Team Members and with the BDD Board, the Project Manager, and the Owners' Consultant.

The following information must be provided for the DB Contractor (and, if included, the DB Guarantor):

- legal form of entity;

- date and place (state) of formation;
- brief history of business and projects;
- list of all officers and brief work history;
- list of all Affiliates; and
- if a corporation, list of the board of directors, list of all stockholders holding ten percent or more of outstanding shares, and generally describe the ownership of shares not included in ten percent or more blocks; or
- if a limited liability company, list of all members with respective percentage of membership interest, list of all managers, and list of all officers, or
- if a partnership, list of all partners indicating status as general or limited.

For each corporate member of a limited liability company or each partner of a general or limited partnership, the information required above for a corporation must be provided for each corporate member or partner. If the DB Contractor is a limited liability company or a partnership, the role and authority of each member or partner in management and control must be clearly described.

If the DB Contractor includes or will include more than one DB Team Member as shareholders, members, or partners in a newly created entity, then a binding memorandum of understanding or agreement in principle among such DB Team Members describing management and control of the DB Contractor must be provided in Appendix A (Management and Control) to the Step 1 Submittal.

Project Experience and Capabilities

This section must describe directly relevant projects (including facilities for water diversion, transmission, treatment and distribution) successfully completed for municipal clients in the past ten years by DB Team Members and Key Personnel, describe available capabilities, including required specialty services, and describe the availability of Key Personnel.

For each such project, include:

- name, location, scope of services, and status;
- client contact information;
- discussion of relevancy to the Project;
- specific role of DB Team Member and Key Personnel; and
- discussion of how problems, unanticipated circumstances, and challenges were addressed.

Resumes for Key Personnel should be included in Appendix B to the Submittal and must identify professional licenses, as applicable.

Financial Condition

This section and Appendix C to the Step 1 Submittal must provide financial and related information for the DB Contractor (and any DB Guarantor) to fully disclose financial condition. Failure to provide any of the required information without adequate explanation would be cause

for rejection of the Step 1 Submittal as not responsive. The Project Manager reserves the right to request financial statements and information from any DB Team Member.

Financial Information. Appendix C to the Step 1 Submittal must include:

1. Audited financial statements (income, balance sheet, and cash flow) for the past three years prepared in accordance with generally-accepted accounting principles and all relevant notes.
2. The most recent Form 10-K and Form 10-Q filed with the Securities and Exchange Commission (SEC), or if not regulated by the SEC, then the most recent quarterly financial report, including results of the same period for the prior year. Such quarterly financial report may be prepared internally, but must be approved and signed by an officer of the firm.
3. All credit reports, credit bulletins, ratings or other statements published within the past three years by recognized rating agencies (Standard & Poor's Rating Services, Moody's Investor Services, and Dun & Bradstreet).
4. Any additional information to fully characterize financial condition, including any off-balance sheet obligations or guarantees not fully described in the audited financial statements. For example, the prospectus or offering statement for recent debt or equity offerings can be included.

Third Party Documentation. This section must include the following documentation from third parties to demonstrate the ability to satisfy the financial requirements of the Minimum Qualification Requirements in Section 5.3. Respondents or Proposers may be separately required to demonstrate ability to provide a letter of credit for the Project in such amount and at such time as the Project Manager may determine.

For the DB performance and payment bonds, each Submittal must provide a written indication from a surety company authorized to do business in the State of New Mexico and included on Department Circular 570 published by the United States Department of the Treasury, Financial Management Service to the effect that the required bonds would be provided for the Project if requested by the DB Contractor as of the date of such indication, and that based on the information available as of such date, there is no reason to believe that the surety would not provide the required performance bonds as of December, 2006 (the anticipated effective date for the DB Contract). Such written indication is not intended to be a binding commitment by surety but must indicate that the DB Contractor has sufficient bonding capacity available to meet the requirements set forth in this RFQ for the Project.

For insurance, each Submittal must provide certificates or other written indication from insurance companies authorized to do business in the State of New Mexico with A. M. Best Company ratings of not less than A (A-7 for provider of general liability insurance) that insurance coverage is or would be available to the DB Contractor meeting the requirements set forth in Section 5.3. Such certificate or other written indication for general liability should state that additional insured would include requirement of CG 2010 1185 or equivalent and that the insurance would be primary, non-contributory, with waiver of subrogation and defense costs would be outside of policy limits.

Responses to Questions. This section must include responses to the questions listed below with respect to the DB Contractor (and any DB Guarantor). If any of these questions are answered in an unfavorable manner, Respondent must describe in detail the unfavorable factor or event and must demonstrate that the unfavorable factor or event will not adversely impact the DB Contractor's ability to perform the Project.

Material Changes in Financial Position – Are there any recent (past 3 years), existing or anticipated material changes in financial position, including material changes in the mode of conducting business, mergers, acquisitions, takeovers, joint ventures, and/or divestitures?

Bankruptcy – In the last ten years, has there been a voluntary or involuntary filing for bankruptcy?

Credit References. This section must include at least two references for lending institutions that have extended significant credit to the DB Contractor (and any DB Guarantor) within the past two years.

Claims and Litigation. List and briefly describe the claims during the past five years and the merits of all pending and threatened litigation and contingent liabilities for the DB Contractor (and, if provided, DB Guarantor). Are there any threatened, pending or past legal proceedings or judgments, or any contingent liabilities that could adversely affect the ability of the DB Contractor to perform the Project? If yes, please describe. Is any DB Team Member involved with any claims, litigation or administrative action against the City, County, Las Campanas LP, or BDD Board? If yes, please describe.

Past Performance

This section must describe examples of projects where the DB Contractor or Respondent(s) has successfully implemented business partnerships on design/build projects with a municipal government or similar entity. This section must describe any instance during the past ten years where a DB Team Member or any Key Personnel has (a) failed to complete a contract or has been terminated on the grounds of alleged breach, default, or nonperformance, (b) been convicted of any criminal conduct or been found in violation of any law concerning antitrust, public contracting, discrimination, or prevailing wages, or (c) been barred from bidding by the federal government or any state government on public contracts.

Client References. This section must include three client references for the DB Contractor, the Constructor(s), and the Design Engineer(s), and two for each of the other DB Team Members and the Key Personnel. In all cases, the references must be for current projects or for projects completed with the past five years for local government clients in the United States.

Client Disputes. This section must discuss DB Contractor and Respondent disputes with clients that have required third party resolution (mediation, independent expert, dispute panel, arbitration or court) on projects underway or completed in the past ten years and must describe all settled claims, disputes or lawsuits with an owner of a project during such ten year period.

Miscellaneous. This section must describe all OSHA violations and all workers' compensation and safety claims, as well as provide a detailed description of the safety record,

insurance claim and loss record, and compliance with applicable Davis-Bacon Act requirements, during the past five years for the DB Contractor and subcontractors, including the Constructor(s), and other DB Team Members, that would perform construction work. The Experience Modification Ration (EMR) for each such firm must be included for each of the past five years. This section must describe any state licensing violation by any DB Team Member alleged or determined during the past ten years and must certify that no commercial bankruptcy, debarment, disqualification, default, or early contract termination of the Respondent(s), the DB Contractor, or any member of the DB Contractor has occurred in the past five years.

Project Approach

This section must describe how the Respondent would approach the following aspects of the Project:

1. Development of cooperative relationships with the BDD Board, Owners, Project Manager, and Owners' Consultant.
2. Delivery of the Project in light of the Owners' Objectives in Section 1.4.
3. Timely issuance of permits and approvals.
4. Incorporation of the mandatory preliminary design into the DB Contractor's final design and performance guarantees.
5. Single point of responsibility for delivery of the Project.
6. Any requests for limitation of DB Contractor liability for consequential damages or otherwise.
7. Any recommendations or requests addressing risk allocation under the DB Contract..
8. Any recommendations or requests addressing performance security and overall insurance coverage for the Project in a manner that would best protect the Owners' and BDD Board's interests and realize cost savings.
9. Integration and functionality of design and construction.
10. Quality assurance/quality control for design and construction.
11. Management of changes and responses to uncontrollable circumstances.
12. Project safety (including accident prevention program).
13. Disputes that may arise during review of the DB Contract's final design by the Project Manager and Owners' Consultant.
14. Project schedule with key tasks and preliminary work plan (not exceeding two pages) with work load projections and available resources of DB Team Members to demonstrate that a June 1, 2009, completion date can be met. Comments on the Project Schedule prepared by the Owners' Consultant and included in the Procurement Library should be provided.

Project Comments

Although not mandatory, Respondents are encouraged to include in Appendix D of its Step 1 Submittal any comments, suggestions, or observations on the Project, including risk allocation and Step 2 of the procurement process as outlined in this RFQ (Section 3.7 and elsewhere) that it

desires to be considered. The benefits of any such suggestions in relation to the Owners' Objectives should be described.

[End of Section 4]

5.0 Evaluation Of Step 1 Submittals

5.1 Overall Process

The Step 1 Submittals will be reviewed and evaluated by the Project Manager, the Owners' Consultant, and the Step 1 Selection Committee utilizing the requirements and criteria outlined in this Section 5 and in other sections of this RFQ. The process will include three activities. First, each Step 1 Submittal will be reviewed by the Project Manager and the Owners' Consultant to determine if it is responsive to the requirements of this RFQ (primarily format and content). Second, each responsive Step 1 Submittal will be reviewed by the Project Manager and Owners' Consultant to determine if the Minimum Qualification Requirements are satisfied. Third, each Step 1 Submittal that is determined to be responsive and in conformance with the Minimum Qualification Requirements will be evaluated and ranked by the Step 1 Selection Committee using the Step 1 Evaluation Criteria. The Step 1 process will conclude with issuance by the Step 1 Selection Committee of a short list of up to three Qualified Respondents.

At any time during the Step 1 evaluation process, the Step 1 Selection Committee, the Project Manager, or the Owners' Consultant may (a) submit written questions or requests for clarifications to a Respondent regarding its Step 1 Submittal or related matters, (b) contact references included in the Step 1 Submittal and other third parties not included as references in the Step 1 Submittal to obtain information regarding any DB Team Member or Key Personnel, and (c) visit facilities and clients associated with any DB Team Member or Key Personnel (whether or not such facility or client is included in the Step 1 Submittal). Failure to respond in a timely manner to any such questions or requests may be grounds for elimination of the Respondent from further consideration. The Project Manager may require that all or a limited number of Respondents participate in interviews.

As indicated in Section 3.5, the Step 1 Selection Committee will include seven members nominated by the Project Manager and appointed by the BDD Board. It is expected that the individual members of the Step 1 Selection Committee will be appointed not later than 45 days after the issuance of this RFQ.

5.2 Responsiveness

The Project Manager and the Owners' Consultant will review each Step 1 Submittal to determine if it is responsive to the requirements of this RFQ. Failure to comply with the format and content requirements outlined in Section 4 may result in a Step 1 Submittal being rejected as non-responsive by the Project Manager. In its sole discretion, the Project Manager may waive any minor or immaterial failure to meet a requirement of this RFQ and may request clarifications or additional information to cure a failure to meet format or content requirements.

5.3 Minimum Qualification Requirements

Each responsive Step 1 Submittal will be reviewed by the Project Manager and the Owners' Consultant to determine if the Minimum Qualification Requirements set forth in this Section 5.3 are met. In its sole discretion, the Project Manager may request clarification or additional information to address any questions that may arise in this regard. Any Step 1 Submittal that does not satisfy all the Minimum Qualification Requirements may be rejected by the Project Manager and may not be subject to further evaluation or consideration.

Minimum Financial Requirements

The Step 1 Submittal must meet the following minimum financial requirements.

DB Performance and Payment Bonds. Ability of the DB Contractor to provide for the Project a design/build performance bond and a payment bond each in the amount not less than \$150 million for all of the obligations under the DB Contract, including the design, construction, and performance testing of the new facilities.

Insurance. Ability of the DB Contractor to provide the following coverage for the Project: (a) General Liability on standard occurrence form with minimum limits of \$1,000,000 per occurrence, \$2,000,000 in the aggregate, and \$2,000,000 products completed operations; (b) Automobile Liability with minimum limits of \$1,000,000 per accident; (c) Employer's Liability and Workers' Compensation meeting statutory requirements; (d) Environmental Liability with minimum limits of \$10,000,000 per claim and \$20,000,000 annual aggregate; (e) Builder's Risk with a minimum limit of \$150,000,000; and (g) Professional Liability with minimum limits of \$20,000,000 per claim and \$20,000,000 annual aggregate; and (h) Umbrella/Excess Liability of at least \$50,000,000 per occurrence and in the aggregate. Respondent must demonstrate that adequate self-insurance reserves exist for any deductible amount greater than \$50,000.

Tangible Net Worth. The DB Contractor (or DB Guarantor) must have a minimum Tangible Net Worth of \$25,000,000.

Material Adverse Condition. The DB Contractor (or DB Guarantor) must not be subject to a material adverse condition, such as pending litigation, insufficient liquidity, or excessive leverage, that could give rise to reasonable doubt concerning its ability to continue to operate as an ongoing concern, to provide performance bonds, insurance, or a letter of credit, or to maintain sufficient financial strength to undertake and successfully complete the Project.

Licensing and Registration

The DB Contractor and each Constructor must be licensed in the State of New Mexico for the type of work to be performed, each Design Engineer must include in responsible charge an engineer registered in the State of New Mexico, and each architect must be registered in the State of New Mexico.

Minimum Project Experience

The Step 1 Submittal must meet the following minimum requirements for project experience:

Design. The Design Engineer(s) must have successfully completed for municipal clients in the United States, within the past five years, the design of at least (a) two plants that treat surface water for potable use, each with a minimum capacity of 10 mgd, (b) two water transmission systems, each including high-head pump stations and pipelines with a minimum length of two miles and a minimum diameter of 18-inches, and (c) one water or wastewater project with a minimum capacity of 5 mgd delivered under a design/build contract.

Construction. The Constructor(s) must have successfully completed for municipal clients in the United States, within the past ten years, the construction of at least (a) two drinking water treatment plants, each with a minimum construction value of \$25 million, (b) two water transmission systems, each with a minimum construction value of \$25 million, and (c) one

water or wastewater project delivered under a design/build or construction management at-risk contract with a minimum value of \$25 million.

DB Contractor. For municipal clients in North America, the DB Contractor must have successfully completed during the past ten years at least (a) three years of experience in the delivery of water or wastewater facilities under design/build contracts and (b) two design/build or construction management at-risk water, wastewater or infrastructure projects, each with a minimum contract value of \$50 million.

DB General Manager. Must have at least five years relevant experience in responsible charge of design/build water, wastewater or infrastructure projects for municipal clients in the United States and relevant design management or construction management experience for at least five additional years.

Construction Project Manager. Must have at least ten years relevant experience in responsible charge for the construction of large (\$50 million construction value) water or wastewater projects for municipal clients in the United States.

Design Project Manager. Must have at least ten years relevant experience in responsible charge for the design of large (\$50 million construction value) water projects for municipal clients in the United States.

The values for project experience are based on December, 2005 dollars.

5.4 Step 1 Evaluation Criteria

The Step 1 Selection Committee, with the assistance of the Project Manager and Owners' Consultant, will evaluate each responsive Step 1 Submittal that satisfies the Minimum Qualification Requirements by applying the Step 1 Evaluation Criteria in Table 4 and described below.

Table 4 - Step 1 Evaluation Criteria

Criterion	Relative Weight
Project Experience and Capabilities	30%
Financial Condition	20%
Project Approach	25%
Past Performance	15%
Organization and Management	10%

Project Experience and Capabilities

This criterion evaluates the degree of the relevance and depth of DB Team Member and Key Personnel experience and capabilities demonstrated with respect to the permitting, design, and construction services required for the Project. Factors to be considered include (but may not be limited to) degree of similarity of the scope of other projects performed by the DB Team Member and Key Personnel to the scope of services to be performed for the Project, location, similarity, and scale of other projects, location of offices of DB Team Members and Key Personnel, availability of Key Personnel and other personal resources necessary to perform the DB Contract, and experience of the DB Contractor, other DB Team Members, and Key Personnel with design/build project delivery and with the design and construction of projects with comparable permitting and land owner requirements and environmental and site conditions.

Some specific characteristics of project relevance include (but are not limited to) the following:

- Work with regulatory and other governmental agencies in obtaining permits and approvals from local, state and federal agencies;
- Work in environmentally sensitive areas and on federal lands;
- Work in areas where community concerns include traffic control, business/residential access, dust, noise, and safety;
- Design and construction of river diversions;
- Work in areas that may have unknown archaeological sites;
- Design and construction of diversion, pumping, and treatment facilities with high turbidity raw water;
- Design and construction of treatment processes including membrane filtration, ozonation, and granular activated carbon adsorption;
- Design and construction of SCADA control, fiber optics, and radio telemetry communications with numerous remote sites;
- Development and implementation of effective quality control/quality assurance programs for design, construction, startup and performance testing.

Financial Condition

This criterion evaluates the sufficiency and strength of financial resources demonstrated to support the DB Contractor in its performance of the DB Contract obligations. Factors to be considered include (but may not be limited to) strength of balance sheet (e.g., net worth, liquidity, leverage, and quality of assets), availability of cash flow, profitability reflected in income statements, strength of credit rating and references, and potential adverse impacts of factors such as outstanding claims and litigation.

Project Approach

This criterion evaluates the degree to which the Project Approach outlined by Respondent demonstrates understanding of the Project and the Owner's Objectives and responds effectively and favorably to the items listed in Section 4.5.

Past Performance

This criterion evaluates the acceptability of DB Team Member and Key Personnel performance on projects currently underway or completed within the past five to ten years. Factors to be considered include (but may not be limited to) level of satisfaction expressed by clients, approach to the resolution of disputes, and acceptability of record of OSHA violations, workers' compensation claims, safety, and compliance with state licensing and registration requirements.

Organization and Management

This criterion evaluates the anticipated effectiveness demonstrated for the DB Team organization and management to perform the DB Contract obligations in a timely and compliant manner, including permitting, design, construction, and performance testing. Factors to be considered include (but may not be limited to) relevance and depth of project management experience of DB Contractor and Key Personnel; extent of successful working relationships among DB Team Members on other projects; clarity and logic of organization, reporting and control structure for

DB Team Members and for Key Personnel; comprehensiveness and acceptability of approach to quality assurance/quality control, scheduling, and project management.

5.5 Selection of Short List

The Step 1 Selection Committee will publish a short list of up to three Qualified Respondents upon completion of its evaluation of the Step 1 Submittals. Prior to publication of the short list of Qualified Respondents, the Step 1 Selection Committee may request the selected Respondents to confirm in writing that there are no outstanding issues or concerns about the fairness or conduct of the Step 1 procurement process, that no other selected Respondent has an unfair competitive advantage, and that it intends to participate in Step 2 of the procurement process and to submit a responsive Proposal.

[End of Section 5]

6.0 RFQ Not Part of DB Contract

This RFQ sets out general concepts, issues, and current thoughts and intentions for implementation of the Project. The DB Contract will incorporate all terms and conditions of the final agreement between the BDD Board and the DB Contractor. This RFQ, or any part hereof, shall not be deemed to be a part of the DB Contract.

[End of Section 6.0]

Attachment A

Defined Terms

The following capitalized words and terms used in this RFQ have the following meanings:

“Affiliate” means any person or entity directly or indirectly controlling, controlled by, or under direct or indirect common control with the subject person or entity.

“BDD Board” means the five-person board of directors established by the City of Santa Fe and the County of Santa Fe under the Joint Powers Agreement to contract for and oversee implementation of the Project and its operation and maintenance upon completion.

“BDD Contact” means the person designated in Section 4.2.

“City” means the City of Santa Fe, New Mexico.

“County” means Santa Fe County, New Mexico.

“Constructor” means a firm that would be the general contractor or construction manager for the performance of construction work for all or a portion of the Project.

“DB Contract” means the contract that would be entered into between the BDD Board and the DB Contractor for permitting, design, construction, and testing of the Project.

“DB Contractor” means the prime contracting company that would enter into the DB Contract with the BDD Board.

“DB Guarantor” means the entity that would provide an unconditional guarantee of the DB Contractor’s performance of the DB Contract.

“DB General Manager” means the individual employee or representative of the DB Contractor designated as responsible to the BDD Board for the DB Contractor’s performance of its obligations under the DB Contract.

“DB Team” means, collectively, all of the firms set forth in the Step 1 Submittal (including subconsultants, subcontractors, the Respondent(s), the DB Contractor, and members, partners, and holders of 10% or more of the stock of the DB Contractor).

“DB Team Member” means a firm included in the DB Team.

“Design Engineer” means the firm that would oversee or prepare the detailed plans and specifications for the construction of all or a portion of the Project.

“Joint Powers Agreement” means the agreement to implement the Buckman Direct Diversion Project entered into pursuant to the Joint Powers Agreement Act, NMSA 1978, Section 11-1-1 through 11-1-7, by and between the City of Santa Fe and the County of Santa Fe, effective as of March, 2005.

“Key Personnel” means the individuals included in the Step 1 Submittal who will manage or perform significant obligations of the DB Contractor and should include the DB General Manager and individuals in responsible charge of design (Design Project Manager), construction (Construction Project Manager), quality management (QA/QC Manager), permits and approvals (Permitting Manager), coordination with federal and state agencies (Environmental Coordinator), on-site engineering during construction (Resident Engineer), inspection of construction work (Construction Inspector), and other individuals and positions that may be identified by the Respondent to supplement or otherwise address such areas of responsibility.

“Las Campanas LP” means the limited partnership that is the developer of the Las Campanas residential community located in the County of Santa Fe and has Las Campanas Corporation as its general partner.

“Minimum Qualification Requirements” means the requirements set forth in Section 5 that must be met for a Step 1 Submittal to be evaluated further and to be eligible for inclusion on the short list of Respondents invited to participate in Step 2 of the procurement process.

“Owners” means the City of Santa Fe and the County of Santa Fe.

“Owners’ Consultant” means the firm of Camp Dresser & McKee Inc. (CDM) which has been retained by the BDD Board to provide engineering services to support procurement and implementation of the Project.

“Owners’ Objectives” mean the objectives set forth in Section 1.4 for delivery of the Project.

“Procurement Library” means the collection of reports and other information available to DB Team Members as set forth in Attachment B.

“Project” means the Buckman Direct Diversion Project facilities that will be jointly owned by the City of Santa Fe and the County of Santa Fe, generally including a river diversion intake in the Rio Grande and associated pump station, pipeline and sediment removal facility, raw water conveyance pump stations and pipelines, road modifications, a water treatment plant, and finished water conveyance pump stations and pipelines. The Project includes facilities that will be shared by the City, County and Las Campanas, but does not include separate water transmission and treatment facilities that will be constructed and owned by Las Campanas LP.

“Project Manager” means the City of Santa Fe acting under a contract with the BDD Board to provide project management and fiscal services for procurement and implementation of the Project.

“Proposal” means a proposal submitted in response to the Step 2 Request For Proposals.

“Proposer” means a Qualified Respondent that submits a proposal in response to the Step 2 Request For Proposals.

“Qualified Respondent” means a Respondent selected for inclusion on the short-list as a result of the Step 1 Request For Qualifications process.

“Respondent” means the party (or parties) submitting the Step 1 Submittal.

“RFP” means the Step 2 Request For Proposals issued to obtain proposals for the DB Contract from the Qualified Respondents.

“RFQ” means this Step 1 Request For Qualifications and addenda.

“Step 1 Evaluation Criteria” means the criteria set forth in Subsection 5.4 that will be utilized by the Step 1 Selection Committee to evaluate and rank the relative qualifications demonstrated by the Step 1 Submittals.

“Step 1 Selection Committee” means the committee that will evaluate and rank the Step 1 Submittals.

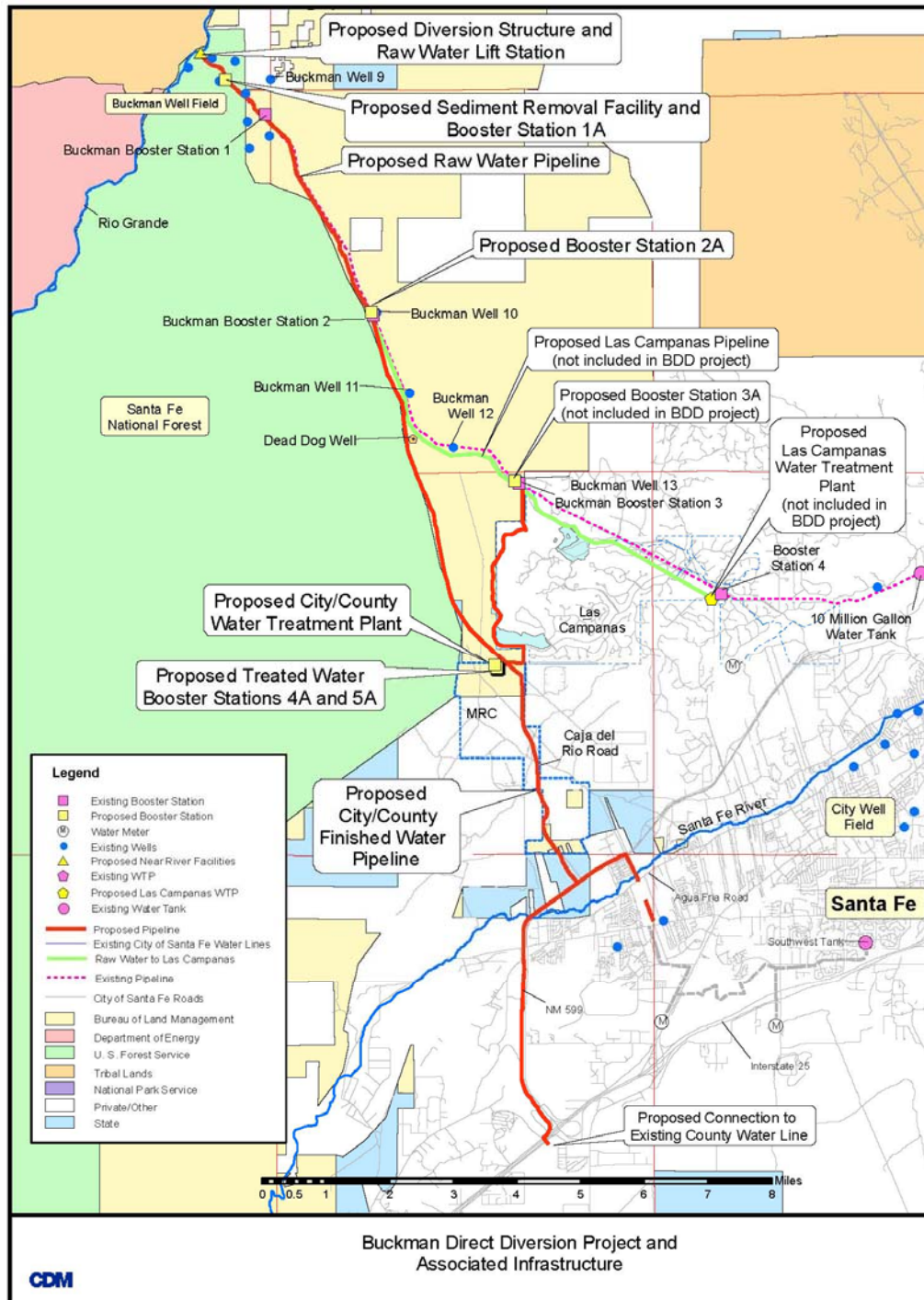
“Step 1 Submittal” means the documentation delivered by a Respondent in response to this Step 1 Request For Qualifications.”

“Step 2 Selection Committee” means the committee that will evaluate and rank the Step 2 Proposals.

“Tangible Net Worth” means total shareholders’ equity less goodwill and any other intangible assets, as prescribed by Generally Accepted Accounting Principles (GAAP).

Attachment B

Map of Proposed Facilities



[End of RFQ]